

Construction Combined

Important Notice to Policyholder

(applicable from the Effective Date shown on your Renewal Schedule)

NIG continually reviews its product offerings in our aim to ensure the cover provided is competitive in an ever-changing market. We are reissuing your NIG Contractors Combined policy onto our updated Construction Combined product wording with effect from the renewal date of your Policy.

The following part of this notice advises you of the main updates and changes compared to your previous policy. This Notice to Policyholder does not contain the full terms and conditions of your insurance, please therefore read all Policy documentation carefully as this will confirm the cover provided.

Please note that:

- these amendments may apply to aspects of this Policy for which cover has not been provided.
- the amounts and percentages stated are those which apply as standard to this Policy. Please refer to the Schedule for the actual amounts and percentages applicable.

Please contact your broker, intermediary or agent, should you have any questions.

Your policy wording changes are summarised as follows:

The Section headed **Helpline Services** has been updated.

The General Definitions, General Conditions, Claims Conditions and General Exclusions do not apply to Section 12b: Engineering Inspection.

General Definitions

The following General Definitions have been moved to the relevant Sections of the Policy:

- **Contract Works**
- **Craft**
- **Excess**
- **Pollution or Contamination**
- **Practical Completion**
- **Products Supplied**
- **Property**
- **Territorial Limits**

The following General Definitions have been updated:

- **Damage**
- **Insured** – this replaces the Definition for The Insured.

The following General Definitions have been added:

- **Average**
- **Business**
- **Business Hours**
- **Policy**

- **Premises**
- **Schedule**
- **Sum Insured**
- **Vacant or Disused**

The following Interpretations have been moved to the relevant Sections of the Policy:

- **Bodily Injury** – this has been updated and is now a Definition.
- **The Business** – this is now the Definition of Business.
- **The Insured** – this has been removed and replaced with the Indemnity to Others Extension (see below).

General Conditions

The following General Conditions have been updated:

- **Reasonable Precautions** – have been changed to become a condition precedent to liability.
- **Change of Risk or Interest** – now includes reference to the newly added Sections and new Extension numbers.
- **Adjustment of Premium** – now specifies what declarations are required and what Sections are affected.
- **Instalments** – updated to state that the Company will give 7 days' notice of cancellation and states how refunds of premium will be calculated.

The following General Conditions have been added:

- **Survey & Risk Improvement** – stating the Company's requirements of the Insured if a survey is requested by the Company.
- **Fire Extinguishment Appliances** – stating the Company's requirements in respect of such appliances.

The following General Condition has been removed:

- **The Policy Document** – this has been accommodated within the opening paragraphs of the General Definitions of the Policy and the General Definition of Policy.

Claims Conditions

The following Claims Conditions have been updated:

- **Action by the Insured:**
 - now changed to become conditions precedent to liability.
 - it is a requirement that the Insured notifies the Company within 30 days of the expiry of the Indemnity Period (as defined in Section 2: Business Interruption, Section 13: Engineering Business Interruption and Section 15 Loss of Licence), in respect of business interruption claims.
 - now includes additional requirements relating to Cyber cover (where operative) under the new Sub-Section 2 (Cyber Liability) of Section 14 Computer and Cyber.

- in addition to acts of vandalism and theft, the Insured must give immediate notification to the police of loss of money (by any cause whatsoever) or of any other incident or circumstance relating to criminal activity that may result in a claim being made under Section 14 (Computer and Cyber), of this Policy.
- any claim notifications in respect of Section 14 (Computer and Cyber) must go direct to HSB Engineering Insurance Limited.
- a requirement for the discontinued use of property and retention of damaged parts following Damage under Sections 12a (Engineering Damage to Machinery and Plant) and Section 14 (Computer and Cyber) has been added.
- **Subrogation** – it is now a condition precedent to liability that any claimant under this Policy shall, at the request and expense of the Company, take and permit to be taken all necessary steps for the Company to enforce any rights against any other party in the name of the Insured before or after any payment is made by the Company.
- **Arbitration** – must be referred to an arbitrator in England and any dispute must be dealt with in accordance with English law.

General Exclusions

The following General Exclusions have been updated:

- **War, Government Action and Terrorism** – the limits of liability for Terrorism in the Liability Provisions for Public Liability, Products Liability and Pollution or Contamination have each been increased to a £5,000,000 Limit of Indemnity.
- **Date Recognition** – this General Exclusion has been rewritten and now also makes reference to recognising, using or adopting any day of the week or period of time, otherwise than as, or other than, the true or correct day of the week or period of time. It incorporates and replaces the Date Recognition Computer Equipment General Exclusion. The listed perils now include sprinkler leakage.

The following General Exclusions have been added:

- **Pollution or Contamination**
- **Marine Policies**
- **Computer Virus and Hacking**

Section 1: Material Damage

This is a new Section under this Policy.

Section 2: Business Interruption

This is a new Section under this Policy.

Section 3: Goods in Transit

This is a new Section under this Policy.

Section 4: Terrorism

This is a new Section of the Policy, incorporating Non-Damage Business Interruption Head of Cover.

Section 5: Business Money & Personal Accident (Assault)

This is a new Section under this Policy.

Section 6: Employers' Liability

Claimants' costs and expenses – now payable if the Insured is ordered to pay them. Any other claimants' costs and expenses are only payable with the Company's written consent.

The following Definition has been updated:

- **Indemnity Limit**

The following Definitions have been added:

- **Bodily Injury**
- **Business**
- **Territorial Limits**

The following Extensions have been updated:

- **Court Attendance Costs** – cover now up to £500 per day for any director or partner and £250 per day for any Employee.
- **Health and Safety at Work etc. Act 1974** – cover does not now apply to any costs or expenses incurred without the Company's written consent.
- **Work Overseas** – any work overseas must be in connection with the Business.

The following Extensions have been added:

- **Cross Liabilities** – this Extension previously only applied to Sections 2 (Public Liability) and 3 (Products Liability).
- **Indemnity to Others** – this was previously included within the Interpretation of The Insured contained in the General Definitions of the Policy.
- **Corporate Manslaughter and Corporate Homicide Act 2007** – cover up to £1,000,000 in the aggregate and in any one Period of Insurance.

The following Optional Extension has been removed:

- **Injury to Working Partners** – this will now (where applicable) be included by Endorsement on the Schedule.

The **Special Conditions** are now known as **Conditions** and Special Condition 2 **Right of Recovery** is now known as **Provisions of Law**.

Section 7: Public Liability

Claimants' costs and expenses – now payable if the Insured is ordered to pay them. Any other claimants' costs and expenses are only payable with the Company's written consent.

The following Definition has been updated:

- **Indemnity Limit**

The following Definitions have been added:

- **Asbestos**
- **Bodily Injury**
- **Business**
- **Craft**
- **Pollution or Contamination**
- **Products Supplied**
- **Property**
- **Territorial Limits**

The following Extensions have been removed and now form part of the new Section 8 (Products Liability):

- **Products Liability**
- **Consumer Protection and Food Safety Acts**

The following Extensions have been updated:

- **Court Attendance Costs** – cover now up to £500 per day for any director or partner and £250 per day for any Employee.
- **Health and Safety at Work etc. Act 1974** – cover does not now apply to any costs or expenses incurred without the Company's written consent.

- **Claims under Data Protection Legislation** (this replaces the Data Protection Act 1998 Extension) – updated in consideration of current legislation and limit of liability increased to £500,000 in the aggregate and in any one Period of Insurance.
- **Work Overseas** – now clarifies the persons working overseas, requiring that such persons must ordinarily be resident within the Territorial Limits and that cover shall not apply to legal liability assumed under agreement which would not have attached in the absence of such agreement.
- **Motor Contingent Liability** – now excludes property contained within the vehicle as well as the vehicle itself.
- **Indemnity to Plant Owners (Contract Sites)** – now states that the cover only applies to plant which is being used in connection with work undertaken by the Insured at contract sites within the Territorial Limits.
- **Housing Grants, Construction and Regeneration Act 1996** (this replaces the similarly named Specific Condition).

The following Extensions have been added:

- **Member to Member Liability**
- **Indemnity to Others** – this was previously included within the Interpretation of The Insured contained in the General Definitions of the Policy.
- **Corporate Manslaughter and Corporate Homicide Act 2007** – cover up to £1,000,000 in the aggregate and in any one Period of Insurance.
- **Financial Loss** – cover up to £250,000 in the aggregate during any one Period of Insurance. Subject to an Excess of 10% (minimum contribution £2,500).
- **Environmental Statutory Clean Up Costs** – cover up to £250,000 in the aggregate and in any one Period of Insurance. Subject to an Excess of £1,000.
- **Legionellosis** – cover up to £100,000 in the aggregate during any one Period of Insurance. Subject to an Excess of 10% (minimum contribution £2,500).
- **Libel or Slander** – cover up to £100,000 in the aggregate during any one Period of Insurance. Subject to an Excess of 10% (minimum contribution £2,500).
- **Non-Negligent Liability – Temporary Cover** – automatic temporary cover (up to 14 days or until more specific insurance is arranged if sooner) for JCT 6.5.1 or 21.2.1 contracts up to £1,000,000 per original cause.

The following Condition has been updated:

- **Use of Heat** – the precautions that must be complied with have been updated.

The following Exclusion has been updated:

- Bodily Injury or Damage to Property, caused by or arising from non-negligent liability for which the Insured is required to effect insurance under the terms of Clause 6.5.1 or Clause 21.2.1, of the Joint Contracts Tribunal (JCT) Standard Form of Building Contract or any clause of similar intent in other forms of contract other than as provided for by the Non-Negligent Liability – Temporary Cover Extension.

The following Exclusion has been added:

- exposure to;
- inhalation of;
- fears of the consequences of exposure to or inhalation of; or
- the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of,

Asbestos including any product containing Asbestos.

Section 8: Products Liability

Claimants' costs and expenses – now payable if the Insured is ordered to pay them. Any other claimants' costs and expenses are only payable with the Company's written consent.

This cover was previously applied as an Extension to the Public Liability Section but is now a separate Section.

The following Definition has been updated:

- **Indemnity Limit**

The following Definitions have been added:

- **Asbestos**
- **Bodily Injury**
- **Business**
- **Pollution or Contamination**
- **Products Supplied**
- **Property**

The following Extensions have been updated:

- **Court Attendance Costs** – cover now up to £500 per day for any director or partner and £250 per day for any Employee.
- **Health and Safety at Work etc. Act 1974** – cover does not now apply to any costs or expenses incurred without the Company's written consent.
- **Claims under Data Protection Legislation** (this replaces the Data Protection Act 1998 Extension) – updated in consideration of current legislation and limit of liability increased to £500,000 in the aggregate and in any one Period of Insurance.

The following Extensions have been added:

- **Consumer Protection and Food Safety Acts** – moved from the Public Liability Section and now states that indemnity shall not apply under this Extension to proceedings or appeals in respect of any deliberate act or omission by any director of the Insured or partner of the Insured or Employee.
- **Corporate Manslaughter and Corporate Homicide Act 2007** – cover up to £1,000,000 in the aggregate and in any one Period of Insurance.
- **Vendor's Liability**
- **Financial Loss** – cover up to £250,000 in the aggregate during any one Period of Insurance. Subject to an Excess of 10% (minimum contribution £2,500).
- **Environmental Statutory Clean Up Costs** – cover up to £250,000 in the aggregate and in any one Period of Insurance. Subject to an Excess of £1,000.
- **Legionellosis** – cover up to £100,000 in the aggregate during any one Period of Insurance. Subject to an Excess of 10% (minimum contribution £2,500).
- **Libel or Slander** – cover up to £100,000 in the aggregate during any one Period of Insurance. Subject to an Excess of 10% (minimum contribution £2,500).

The following Exclusion, which previously formed part of the Contractual Liability Special Condition, has now been moved to become a Section Exclusion and has been updated to read as follows:

- legal liability assumed by the Insured under contract or agreement (other than under any condition or warranty of goods, implied by law) unless such liability would have attached in the absence of such contract or agreement, other than as provided for by the Vendor's Liability Extension, of this Section.

The following Exclusion has been updated:

- Bodily Injury or Damage to Property, caused by or arising from non-negligent liability for which the Insured is required to effect insurance under the terms of Clause 6.5.1 or Clause 21.2.1, of the Joint Contracts Tribunal (JCT) Standard Form of Building Contract or any clause of similar intent in other forms of contract.

The following Exclusion has been added:

- a exposure to;
- b inhalation of;
- c fears of the consequences of exposure to or inhalation of; or
- d the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of,

Asbestos including any product containing Asbestos.

Section 9: Breakage of Glass

This is a new Section under this Policy.

Section 10: Specified All Risks

This is a new Section under this Policy.

Section 11: Deterioration of Stock

This is a new Section under this Policy.

Section 12a: Engineering Damage to Machinery and Plant

This is a new Section under this Policy.

Section 12b: Engineering Inspection

This is a new Section under this Policy.

Section 13: Engineering Business Interruption

This is a new Section under this Policy.

Section 14: Computer and Cyber

This is a new Section under this Policy.

Section 15: Loss of Licence

This is a new Section under this Policy.

Section 16: Fidelity Guarantee

This is a new Section under this Policy.

Section 17: Legal Expenses

This is a new Section under this Policy.

Section 18: Personal Accident

This is a new Section under this Policy.

Section 19: Contractors All Risks

This Section has been rewritten.

The selectable cover is now stated as:

Cover 1: An annually renewable policy; or

Cover 2: A short term policy for a specific contract.

It is now stated that, unless otherwise stated, the Sum Insured (or any other stated limit of liability) applies in the aggregate to Property collectively described by each item under this Section (inclusive of Professional Fees, Debris Removal, Plans and Specification and costs incurred by reason of the necessity to comply with European Union legislation or Public Authorities regulations).

The following Definition has been updated:

- **Contract Works**
- **Craft**
- **Property Insured**

The following Definitions have been added:

- **Constructional Plant**
- **Contents of Show Houses**
- **Contract**
- **Contract Price**
- **Contract Site**
- **Employees' Personal Effects and Tools**
- **Hired-in Property**
- **Practical Completion**
- **Property**
- **Temporary Buildings**
- **Territorial Limits**

The following Extensions have been updated:

- **Maintenance or Defects Liability Period and Conditions of Contract** – now amended to accommodate the two bases of available Cover (i.e. Cover 1 and Cover 2).
- **Professional Fees** – the amount payable under this Extension and this Section is now restricted to the Sum Insured, for the item concerned.
- **Debris Removal** – the Company will not pay for any costs or expenses incurred in removing debris except from the Contract Site which is the subject of the claim and the area immediately adjacent to such site. The 10% limit of liability in respect of any one item has been removed, but the maximum amount payable under this Extension and the Section will in no case exceed the Sum Insured for such item.
- **European Union and Public Authorities** – now includes portions of the Property not subject to Damage (other than foundations) provided that the amount payable for any item will not exceed 15% of the total amount for which the Company would have been liable had the Property been wholly destroyed. The total amount payable under this Extension and this Section, per cause, for any item, shall not exceed its Sum Insured. All work of reinstatement must now be completed within 12 months of the date of the Damage or within such further time as the Company may allow.
- **Hired-in Plant Charges** (previously an Optional Extension) – cover up to the Limit of Indemnity per original cause stated in the Schedule (where cover is operative).
- **Negligent Breakdown of Hired-in Plant** (previously an Optional Extension) – cover up to the Limits of Indemnity per original cause and per item, stated in the Schedule (where cover is operative).

- **Speculative Development** – now amended to accommodate the two bases of available Cover (i.e. Cover 1 and Cover 2). This Extension is now subject to the proviso that the maximum liability of the Company under this Extension and this Section, in respect of Contract Works, Contract Price and Contents of Show Houses (as applicable), shall not exceed its Sum Insured. The proviso in respect any one building (other than private dwellings) concerning the indemnity not exceeding £100,000, remains.
- **Offsite Storage of Materials Forming Part of the Contract Works or Contract Price** – now amended to accommodate the two bases of available Cover (i.e. Cover 1 and Cover 2). This Extension now states that the maximum liability of the Company under this Extension and this Section, in respect of Contract Works or Contract Price (as applicable), shall not exceed its Sum Insured, subject to the limit of 15% of the Sum Insured at any one location.
- **Free Issue Materials** – now amended to accommodate the two bases of available Cover (i.e. Cover 1 and Cover 2). This Extension now states that the maximum liability of the Company under this Extension and this Section, in respect of Contract Works or Contract Price (as applicable), shall not exceed its Sum Insured.
- **Expediting Costs** – now amended to accommodate the two bases of available Cover (i.e. Cover 1 and Cover 2).
- **Theft of Security Devices and Lock Replacement** (this replaces the Replacement of Locks Extension and combines the previous Extension 17) – now includes Damage by theft or attempted theft of any immobiliser, locating, tracking or other security device fitted to or used on any item of Constructional Plant or Hired-In Property. Cover now up to £5,000 per original cause.
- **Additional Expenditure** – now amended to accommodate the two bases of available Cover (i.e. Cover 1 and Cover 2).
- **Escalator** (this replaces the Contract Price Increase Extension) – now states that the Sum Insured for Contract Works or Contract Price (as applicable) shall be increased proportionately up to a figure not exceeding 125% of the Sum Insured subject to a maximum increase of £500,000.

The following Extension (applied by Endorsement where previously applicable) has been removed:

- **Money** – cover should be arranged under Section 5: Business Money & Personal Accident (Assault), via your broker, intermediary or agent.

The following Clause has been added:

- **Reinstatement of Losses** (this replaces the Automatic Reinstatement following a claim Extension).

The following Condition has been added:

- **Cessation of Works** (this was previously applied as an Extension).

The following Specific Condition has been removed:

- **Housing Grants, Construction and Regeneration Act 1996** – see the Public Liability Section of this Policy.

The following Exclusions have been updated:

- Damage to:
 - any item of machinery, plant, tools or equipment, caused by its own mechanical breakdown or derangement, other than as provided for by Extension H Negligent Breakdown of Hired-In Plant (if operative) of this Section.
 - any structure (including that being altered or repaired) existing at the time of the commencement of the Contract other than materials supplied and delivered for incorporation in the:
 - Contract Works, subject to **Cover 1** being stated as the Basis of Cover in the Schedule; or
 - Contract Price, subject to **Cover 2** being stated as the Basis of Cover in the Schedule.

- any Property Insured let out on hire by the Insured.
- any Property Insured described in items 3, 4 and 5 thereof, whilst such Property Insured is away from the Contract Site, unless it is:
 - at a permanent premises, compound or garage, of the Insured; or
 - in transit, and not more specifically insured.
- Damage arising out of the use or occupation of any portion of the permanent:
 - Contract Works, subject to **Cover 1** being stated as the Basis of Cover in the Schedule; or
 - Contract Price, subject to **Cover 2** being stated as the Basis of Cover in the Schedule, by any owner, tenant or occupier;
- any Contract undertaken by the Insured which:
 - involves Contract Works (maximum any one Contract Site) valued in excess of the amount of the Sum Insured shown in the Schedule; and/or
 - a maximum length of any one Contract in excess of the number of such months lodged with the Company, where **Cover 1** is stated as the Basis of Cover in the Schedule, or
 - involves a Contract Price valued in excess of the amount of the Sum Insured shown in the Schedule; and/or
 - exceeds the Period of Insurance (exclusive of any maintenance or defects liability period) shown in the Schedule, where **Cover 2** is stated as the Basis of Cover in the Schedule.

The following Exclusions have been added:

- Damage to Property Insured arising out of any multiple lifting operations where two or more lifting machines are used for the purpose of lifting or lowering a load.
- any Contract undertaken by the Insured which involves a method of light timber construction that commonly utilises platform building techniques where the structural frame is made from wood:
 - on more than two storeys; or
 - where **Cover 1** is stated as the Basis of Cover in the Schedule, the Sum Insured in respect of Contract Works (maximum any one Contract Site); or
 - where **Cover 2** is stated as the Basis of Cover in the Schedule, the Sum Insured in respect of Contract Price, exceeds £500,000, unless otherwise agreed by the Company.

The following Exclusions have been removed:

- Damage caused by pollution or contamination – see General Exclusion 4 in the Policy.
- **Computer Virus and Hacking** – see General Exclusion 7 in the Policy.

Section 20: Non-Negligent Liability

This is a new Section under this Policy.

Endorsements

Please note that any endorsements that apply to your Policy may also have been amended in light of the changes notified to you in this Notice. Where any endorsements, whether arising as a result of the changes notified to you in this Notice or otherwise, have been amended, replaced or added, they will appear in your Schedule. If removed, then they may have been catered for in the Policy wording. Please ensure that you read any endorsements to your policy carefully.

